



January 28, 2014

HOUSE BILL No. 1046

DIGEST OF HB 1046 (Updated January 28, 2014 12:07 pm - DI 92)

Citations Affected: IC 6-1.1.

Synopsis: Property tax deduction for mortise and tenon barns. Permits a county to adopt an ordinance providing a 100% property tax deduction against the assessed value of certain mortise and tenon barns. Provides that the ordinance may require a person obtaining the deduction to pay a public safety fee for each barn for which the person receives a deduction.

Effective: Upon passage.

Cherry, Thompson, Clere, Turner

January 7, 2014, read first time and referred to Committee on Ways and Means.
January 28, 2014, amended, reported — Do Pass.

HB 1046—LS 6012/DI 58



January 28, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1046

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12-25.2 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: **Sec. 25.2. (a) This section applies**
4 **in a county in which an ordinance adopted under subsection (c) is**
5 **in effect in the county for assessment dates occurring:**

6 (1) **after the date on which the county fiscal body adopts an**
7 **ordinance under subsection (c); and**

8 (2) **before the date on which the county fiscal body rescinds an**
9 **ordinance previously adopted under subsection (c).**

10 (b) **The following definitions apply throughout this section:**

11 (1) **"Eligible applicant" means:**

12 (A) **an owner of an eligible mortise and tenon barn; or**

13 (B) **a person that is purchasing property, including an**
14 **eligible mortise and tenon barn, under a contract that:**

15 (i) **gives the person a right to obtain title to the property**
16 **upon fulfilling the terms of the contract;**

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(ii) does not permit the owner to terminate the contract as long as the person buying the property complies with the terms of the contract;

(iii) specifies that during the term of the contract the person must pay the property taxes on the property; and

(iv) has been recorded with the county recorder.

(2) "Eligible mortise and tenon barn" means a barn that:

(A) is located in a county to which this section applies;

(B) was built using heavy wooden timbers, joined together with wood-pegged mortise and tenon joinery, that form an exposed structural frame;

(C) was originally placed in service for an agricultural purpose before 1936; and

(D) has, on an assessment date, substantially the same size, design, and construction as the original structure.

(c) A county fiscal body may adopt an ordinance to provide a deduction against the assessed value of eligible mortise and tenon barns in the county in accordance with this section. If a county fiscal body adopts an ordinance under this subsection, the county fiscal body shall furnish a copy of the ordinance to the department in the manner prescribed by the department.

(d) An ordinance adopted under subsection (c) may require an eligible applicant to pay an annual public safety fee in an amount that:

(1) equals or exceeds one hundred dollars (\$100); and

(2) does not exceed five hundred dollars (\$500);

for each eligible mortise and tenon barn for which the eligible applicant receives a deduction under this section. The county auditor shall distribute any public safety fees collected under this section equitably among the police and fire departments in whose territories each eligible mortise and tenon barn is located.

(e) An eligible applicant is entitled to a deduction against the assessed value of the structure and foundation of an eligible mortise and tenon barn for assessments to which this section applies. The deduction is equal to one hundred percent (100%) of the assessed value of the structure and foundation of the eligible mortise and tenon barn.

(f) An eligible applicant that desires to obtain the deduction provided by this section must file a certified deduction application with the auditor of the county in which the eligible mortise and tenon barn is located. The application may be filed in person or by mail. The application must contain the information and be in the



1 form prescribed by the department of local government finance. If
2 mailed, the mailing must be postmarked on or before the last day
3 for filing.

4 (g) Subject to subsection (h) and section 45 of this chapter, the
5 application must be filed during the year preceding the year in
6 which the deduction will first be applied. Upon verification of the
7 application by the county assessor of the county in which the
8 property is subject to assessment or by the township assessor of the
9 township in which the property is subject to assessment (if there is
10 a township assessor for the township), the auditor of the county
11 shall allow the deduction.

12 (h) The auditor of a county to which this section applies shall, in
13 a particular year, apply the deduction provided under this section
14 to the eligible mortise and tenon barn of the owner that received
15 the deduction in the preceding year unless the auditor of the county
16 determines that the property is no longer eligible for the deduction.
17 A person that receives a deduction under this section in a
18 particular year and that remains eligible for the deduction in the
19 following year is not required to file an application for the
20 deduction in the following year. A person that received a deduction
21 under this section in a particular year and that becomes ineligible
22 for the deduction in the following year shall notify the auditor of
23 the county in which the property is located of the ineligibility in the
24 year in which the person becomes ineligible. A deduction under this
25 section terminates following a change in ownership of the eligible
26 mortise and tenon barn. However, a deduction under this section
27 does not terminate following the removal of less than all the joint
28 owners of the property or purchasers of the property under a
29 contract described in subsection (b).

30 SECTION 2. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1046, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-12-25.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 25.2. (a) This section applies in a county in which an ordinance adopted under subsection (c) is in effect in the county for assessment dates occurring:**

- (1) after the date on which the county fiscal body adopts an ordinance under subsection (c); and**
- (2) before the date on which the county fiscal body rescinds an ordinance previously adopted under subsection (c).**

(b) The following definitions apply throughout this section:

(1) "Eligible applicant" means:

- (A) an owner of an eligible mortise and tenon barn; or**
- (B) a person that is purchasing property, including an eligible mortise and tenon barn, under a contract that:**
 - (i) gives the person a right to obtain title to the property upon fulfilling the terms of the contract;**
 - (ii) does not permit the owner to terminate the contract as long as the person buying the property complies with the terms of the contract;**
 - (iii) specifies that during the term of the contract the person must pay the property taxes on the property; and**
 - (iv) has been recorded with the county recorder.**

(2) "Eligible mortise and tenon barn" means a barn that:

- (A) is located in a county to which this section applies;**
- (B) was built using heavy wooden timbers, joined together with wood-pegged mortise and tenon joinery, that form an exposed structural frame;**
- (C) was originally placed in service for an agricultural purpose before 1936; and**
- (D) has, on an assessment date, substantially the same size, design, and construction as the original structure.**

(c) A county fiscal body may adopt an ordinance to provide a deduction against the assessed value of eligible mortise and tenon barns in the county in accordance with this section. If a county fiscal body adopts an ordinance under this subsection, the county fiscal body shall furnish a copy of the ordinance to the department



in the manner prescribed by the department.

(d) An ordinance adopted under subsection (c) may require an eligible applicant to pay an annual public safety fee in an amount that:

- (1) equals or exceeds one hundred dollars (\$100); and
- (2) does not exceed five hundred dollars (\$500);

for each eligible mortise and tenon barn for which the eligible applicant receives a deduction under this section. The county auditor shall distribute any public safety fees collected under this section equitably among the police and fire departments in whose territories each eligible mortise and tenon barn is located.

(e) An eligible applicant is entitled to a deduction against the assessed value of the structure and foundation of an eligible mortise and tenon barn for assessments to which this section applies. The deduction is equal to one hundred percent (100%) of the assessed value of the structure and foundation of the eligible mortise and tenon barn.

(f) An eligible applicant that desires to obtain the deduction provided by this section must file a certified deduction application with the auditor of the county in which the eligible mortise and tenon barn is located. The application may be filed in person or by mail. The application must contain the information and be in the form prescribed by the department of local government finance. If mailed, the mailing must be postmarked on or before the last day for filing.

(g) Subject to subsection (h) and section 45 of this chapter, the application must be filed during the year preceding the year in which the deduction will first be applied. Upon verification of the application by the county assessor of the county in which the property is subject to assessment or by the township assessor of the township in which the property is subject to assessment (if there is a township assessor for the township), the auditor of the county shall allow the deduction.

(h) The auditor of a county to which this section applies shall, in a particular year, apply the deduction provided under this section to the eligible mortise and tenon barn of the owner that received the deduction in the preceding year unless the auditor of the county determines that the property is no longer eligible for the deduction. A person that receives a deduction under this section in a particular year and that remains eligible for the deduction in the following year is not required to file an application for the deduction in the following year. A person that received a deduction



under this section in a particular year and that becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the property is located of the ineligibility in the year in which the person becomes ineligible. A deduction under this section terminates following a change in ownership of the eligible mortise and tenon barn. However, a deduction under this section does not terminate following the removal of less than all the joint owners of the property or purchasers of the property under a contract described in subsection (b)."

Delete page 2.

Page 3, delete lines 1 through 5.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1046 as introduced.)

BROWN T, Chair

Committee Vote: yeas 15, nays 2.

